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Council/Agency Meeting Held: _____ CITY CLERK CITY OF HUNTINGTON BEACH	
Deferred/Continued to: _____	City Clerk's Signature _____
<input type="checkbox"/> Approved <input type="checkbox"/> Conditionally Approved <input type="checkbox"/> Denied	
Council Meeting Date: December 19, 2005	Department ID Number: PW 05-076

**CITY OF HUNTINGTON BEACH
REQUEST FOR CITY COUNCIL ACTION**

SUBMITTED TO: HONORABLE MAYOR AND CITY COUNCIL MEMBERS

SUBMITTED BY: *Penelope Culbreth*
PENELOPE CULBRETH-GRAFT, CITY ADMINISTRATOR

PREPARED BY: ROBERT F. BEARDSLEY, PE, DIRECTOR OF PUBLIC WORKS *R.F.B.*

SUBJECT: Adopt Resolution to Amend Beach Boulevard Underground
Utility District No. 00-01- Yorktown Avenue to Pacific Coast
Highway

Statement of Issue, Funding Source, Recommended Action, Alternative Action(s), Analysis, Environmental Status, Attachment(s)

Statement of Issue: A resolution is required to extend the deadline to complete the underground utility district, within the public right-of-way, along Beach Boulevard between Yorktown Avenue and Pacific Coast Highway.

Funding Source: No City funds are required. The California Public Utilities Commission requires that public utilities set aside funding for Underground Utility Districts (Rule 20A). Pursuant to this requirement, Southern California Edison Company (SCE) has established a funding program for current and future Underground Utility Districts within the City as set forth in the Engineer's Report (Attachment 1).

Recommended Action: Motion to: Adopt Resolution No. 2005-83 a resolution of the City Council of the City of Huntington Beach amending the Beach Boulevard Underground Utility District No 00-01.

Alternative Action(s): Deny the recommended action and direct staff to an alternative course of action.

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REQUEST FOR ACTION

MEETING DATE: December 19, 2005

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Analysis: Five years ago, the Underground Utility Committee determined that Beach Boulevard between Yorktown Avenue and Pacific Coast Highway was the number one priority for underground utilities. The City Council passed and adopted Resolution 2000-99 to form the establishment of the Underground Utility District on October 16, 2000. A component of the District called for the work to be completed by December 30, 2003. Funding was unavailable to complete the \$8.5 million project prior to the expiration date.

By extending the Underground Utility District deadline to December 30, 2009, Public Works staff will be able to carry out the necessary coordination with Southern California Edison, Time Warner and Verizon to complete. The effort includes planning, engineering and construction components.

The funding of this District is under the authority of the California Public Utilities Commission, which adopted a requirement that public utilities set aside funding for Underground Utility District infrastructure costs (Rule 20A). Pursuant to this requirement, Southern California Edison Company (SCE) has established a funding program of \$813,519 per calendar year for the current and future Rule 20A Underground Utility Districts in the City of Huntington Beach. SCE allows cities to spend the funds for the following year's anticipated allocation. The following table indicates the estimated funding, expenditures and projected cost through 2009.

City of Huntington Beach Rule 20A Fund Allocations

Prior Years Balance		\$ 2,350,942
2002 Allocation		\$ 655,017
2003 Allocation		\$ 645,880
2004 Allocation		\$ 686,062
2005 Allocation		\$ 813,519
2005 Expenditures		(\$ 74,891)
	Subtotal	\$ 5,076,529
Projected Cost of Beach Blvd.- Yorktown to PCH		(\$ 8,539,000)
	Balance	(\$ 3,462,471)
2006 Allocation (Est.)		\$ 813,519
2007 Allocation (Est.)		\$ 813,519
2008 Allocation (Est.)		\$ 813,519
2009 Allocation (Est.)		\$ 813,519
	Balance (Est.)	(\$208,395)

The expenditures are anticipated to occur ahead of the availability of Rule 20A annual allocations. The projected negative balance of \$3,462,471 created by the cost of the undergrounding is reduced by future annual Rule 20A allocations estimated at \$813,519 per year. Therefore, the shortfall is zeroed out in 4 years, or at about the time of project completion.

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All aerial wires are included in this District except the SCE 66 kilovolt (kV) electrical transmission poles and wires, which are exempt from undergrounding by Municipal Code 17.64. Therefore, the top three aerial lines located on poles on the east side of Beach Boulevard from Atlanta Avenue to Pacific Coast Highway will remain. All lower aerial wires on the poles are to be removed.

The proposed District along Beach Boulevard from Yorktown Avenue to Pacific Coast Highway will likely be constructed in one phase. The utility companies responsible for telephone (Verizon) and cable television (Time Warner) will prepare designs and allocate funding to concurrently place their aerial facilities underground based on the SCE plans and shall share in joint trenches where applicable.

Environmental Status: This project has been determined to be categorically exempt pursuant to Class 2, Section 15302 of the California Environmental Quality Act.

Attachment(s):

City Clerk's Page Number	No.	Description
	1.	Engineer's Report
	2.	Resolution <u>2005-83</u>
	3.	Location Map

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ATTACHMENT #1

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ENGINEER'S REPORT

October 17, 2005

Beach Boulevard Underground Utility District No. 00-01
Yorktown Avenue to Pacific Coast Highway

DEFINITION OF AN UNDERGROUND UTILITY DISTRICT:

An underground utility district is an area in the City within which poles; overhead wires and associated overhead structures are prohibited. The procedure for establishing an underground utility district is clearly defined in Chapter 17.64 of the City's Municipal Code.

PURPOSE OF THE UNDERGROUND UTILITY DISTRICTS:

Currently, there are areas within the City where utility services are still provided to residential and commercial customers by way of overhead wires from utility poles within the public right-of-way. It has been an on-going goal of the City to have overhead wires and poles removed along the major arterial roadways of the city. The removal of overhead wires and poles improves the general appearance of the street and reduces the potential for accidents. (i.e. a vehicle hitting the power pole or possible power outage due to a storm.)

TYPES OF UTILITY DISTRICTS:

There are two basic types of underground utility districts. The first is a Rule 20A project. "Rule 20A" refers to the California Public Utility Commission (CPUC) rule that requires utility companies to set aside funds for the undergrounding of utilities. The establishment of a Rule 20A district is based upon the recommendations of the City and the applicable utility companies. The second district type is "Rule 20B" which is a developer requested district. The developer generally coordinates these districts and any costs are borne by the developer.

METHODS OF ESTABLISHING DISTRICTS:

In 1977, the Huntington Beach City Council adopted Huntington Beach Municipal Code, Chapter 17.64. This chapter set forth guidelines for the procedures for the establishment of the Underground Utility Districts. In the case of the Beach Boulevard Underground Utility District Yorktown Avenue to Pacific Coast Highway Beach Boulevard, there were two resolutions. The first resolution called for the public hearing to establish the District and the second resolution called for the establishment of the District.

METHODS OF AMENDING DISTRICTS:

The procedure follows Chapter 17.64 (previous section) and consist of holding a public hearing and passing a resolution. There will be two resolutions: the first resolution calling for the public hearing to allow a time extension to complete the district and the second resolution to officially extend the deadline for the District to December 30, 2009.

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UTILITY UNDERGROUND COORDINATION COMMITTEE:

Huntington Beach Municipal Code, Chapter 17.64.020 requires the formation of an Underground Utilities Coordinating Committee. The duty of the committee is to determine the location and priority of conversion work, and to advise the City Council on all technical aspects of undergrounding public utilities.

The committee has determined that the number one priority is the completion of Beach Boulevard between Yorktown Avenue and PCH.

DISTRICT TIME-LINE:

Action/ Event	Date
1. Call for public Hearing to amend District expiration date	November 7, 2005
2. Resolution to extend completion date to December 30, 2009	November 21, 2005
3. Design Phase, permits, agreements, other pre-construction	2 years
4. Construction Phase	2 years

FUNDING SOURCE:

The California Public Utilities Commission requires that public utilities set aside funding for Underground Utility Districts (Rule 20A). Pursuant to this requirement, Southern California Edison Company has established a funding program for current and future Underground Utility Districts within the City as set forth in the Public Works Commission Section.

City of Huntington Beach Rule 20A Fund Allocations

Prior Years Balance		\$ 2,350,942
2002 Allocation		\$ 655,017
2003 Allocation		\$ 645,880
2004 Allocation		\$ 686,062
2005 Allocation minus 2005 Expenditures (\$74,891)		\$ 738,628
	Subtotal	\$5,076,529
Projected Cost of Beach Blvd.-- Yorktown to PCH		(\$ 8,539,000)
	Balance	(\$3,462,471)


There is an allowance to complete the project ahead of available funds by a Rule 20A accepted practice called "mortgaging" the shortfall. The projected \$3,462,471 shortfall is subtracted from future annual Rule 20A allocations estimated at \$813,519 per year. Therefore the shortfall is zeroed out in 4.2 years, or in the year 2010.

SUMMARY AND STAFF RECOMMENDATIONS:

Staff recommends that Council:

1. Call a public hearing to ascertain whether the public necessity, health, safety or welfare requires the time extension for the removal of these poles and the associated structures.

2. Adopt by affirmative vote of at least five members of the Council a Resolution declaring that portion of Beach Boulevard an Underground Utility District, and order the extension of time to complete the removal of the overhead facilities.



David Webb
City Engineer

10-18-05

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ATTACHMENT #2

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RESOLUTION NO. 2005-83

A RESOLUTION OF THE CITY COUNCIL OF
THE CITY OF HUNTINGTON BEACH AMENDING
THE BEACH BOULEVARD UNDERGROUND UTILITY
DISTRICT NO. 00-01.

WHEREAS, Resolution No. 2000-89, adopted on October 16, 2000, established Beach Boulevard Underground Utility District No. 00-01 ("District No. 00-01"); and

A component of District No. 00-01 called for all poles, overhead wires and associated overhead structures to be removed and underground installation to be made no later than December 30, 2003; and

The City Council wishes to amend Utility District No. 00-01 to extend the deadline of December 30, 2003 up to and through December 30, 2009; and

NOW THEREFORE, BE IT RESOLVED by the City Council of the City of Huntington Beach as follows:

1. The City Council held a public hearing on _____, which was properly noticed as required by Government Code, for the purpose of modifying Utility District No. 00-01.
2. Utility District No. 00-01 is hereby modified to extend the time for removal of all poles, overhead wires and associated overhead structures and placement of underground installations up to and through December 30, 2009.
3. The City Clerk, within ten (10) days after the adoption of this resolution shall mail a copy thereof and a copy of the Huntington Beach Municipal Code Chapter 17.64 to affected property owners, if any, as shown on the last equalized assessment roll, and to the affected utilities.

PASSED AND ADOPTED by the City Council of the City of Huntington Beach at a regular meeting held thereof on the _____ day of _____, 2005.

Mayor

REVIEWED AND APPROVED

Lorelye Cullen
City Administrator

APPROVED AS TO FORM:

Jennifer McGee
City Attorney KC-POA
7/14/05

INITIATED AND APPROVED:

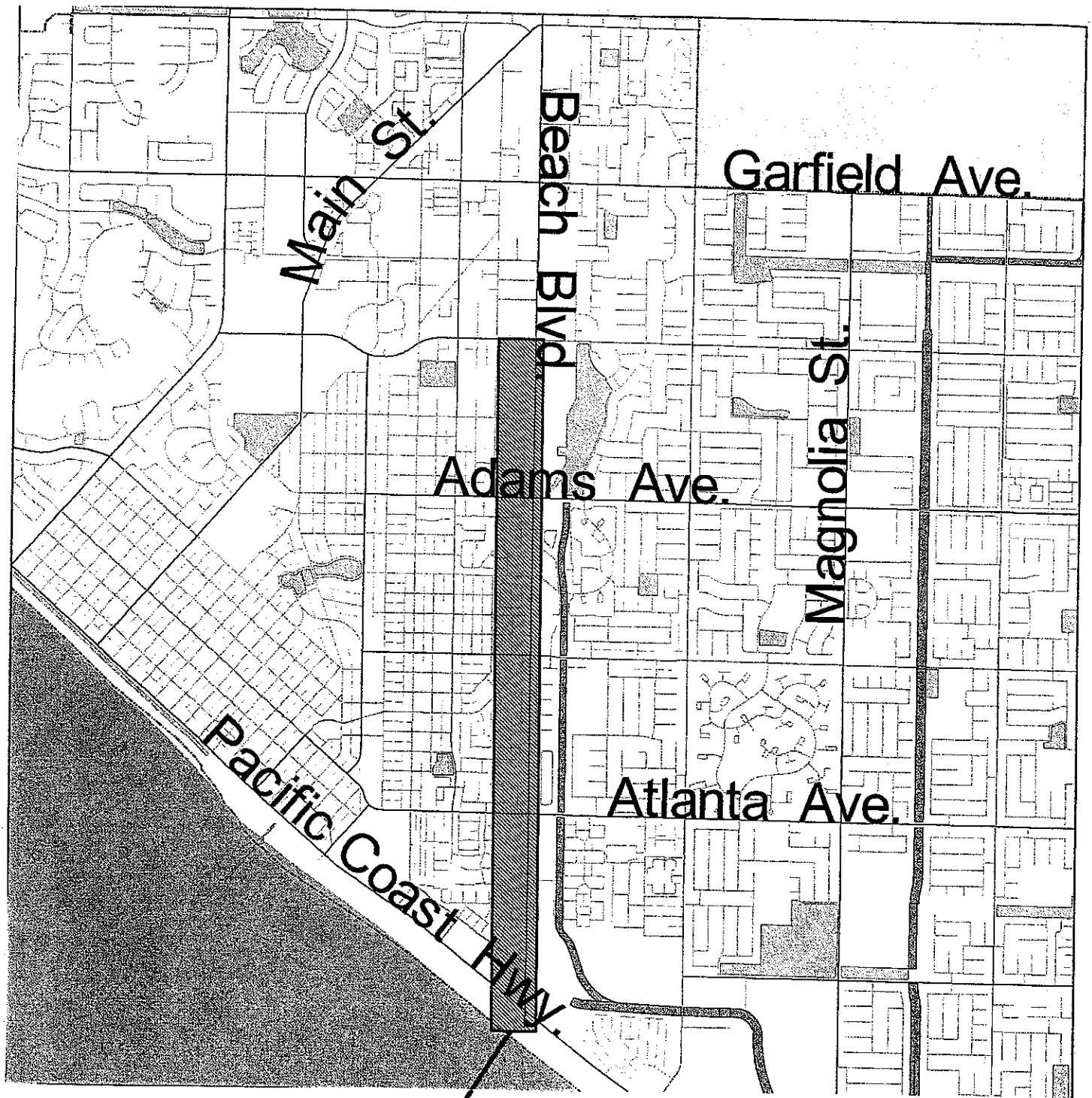
David Webb for RFB
Director of Public Works

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ATTACHMENT #3



PROJECT
SITE

Beach Boulevard Underground Utility District
Yorktown Avenue to Pacific Coast Highway

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VICINITY MAP